Hancock County

Cost of Business & Taxes

- **2nd lowest worker comp rates in U.S.**
- **Lowest 10% of real estate cost (major metros)**
- **Lowest 25% of electricity cost**
- **Low property taxes**
- **Competitive wages and incentives**
- **No inventory or franchise taxes**
- **No tax on business services**

Real Estate Q1 2011 (Indianapolis MSA only)

Industrial Market

Inventory	211,551,421 Sq. Ft.
Vacancy Rate	9.3%
Manufacturing Avg. Net Lease Rate/Sq. Ft.	$2.15
W/D Avg. Net Lease Rate/Sq. Ft.	$2.98

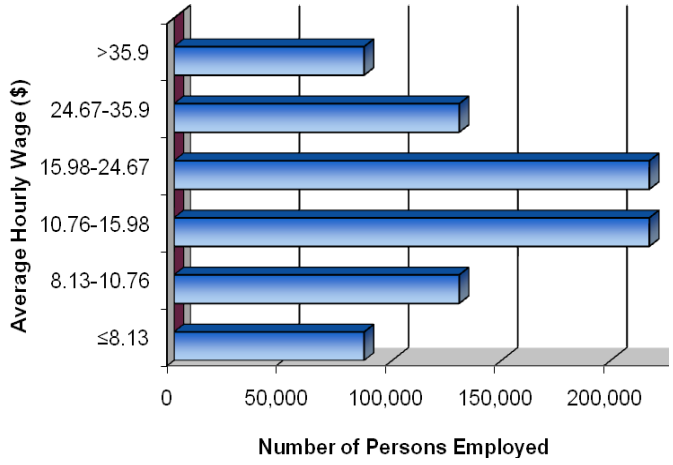
Office Market

Inventory	35,783,966 Sq. Ft.
Vacancy Rate (Downtown)	20.1%
Vacancy Rate (Suburban)	23.5%
Avg. Class A Gross Lease $/Sq. Ft. (Downtown)	$19.24
Avg. Class A Gross Lease $/Sq. Ft. (Suburban)	$18.84

Sources: Summit Realty, Cassidy Turley.

Electricity (Industrial Avg.) = $.0606/kWh

Employment & Wages



Source: Bureau of Labor Statistics, May 2009 OES. Indianapolis MSA data.

Tax Structure

Personal Income Tax

State Rate	3.40%
Local Option Tax	
Resident	1.2%
Non-Resident	0.45%

Rates are applied to adjusted gross income and do not vary based on income.

Corporate Franchise Tax None

Corporate Adjusted Gross Income Tax

Current Rate	8.5%
Effective July 2012	8.0%
Effective July 2013	7.5%
Effective July 2014	7.0%
Effective July 2015	6.5%

Rates are applied to adjusted gross income and do not vary based on income. Various incentives are available to eligible companies to reduce this rate.

Sales and Use Tax 7.00%

Exemptions include: Manufacturing raw materials, manufacturing equipment, utilities and other consumables used in production and environmental control equipment used by manufacturers. Most services are not subject to tax.

Business Property Tax — Per $100 AV

Median Tax Rate	$2.25
Range by Taxing Districts	$1.46-$3.00

Source: Indiana Department of Revenue; Indiana Tax Commission; and Katz, Sapper & Miller
Business property taxes are capped at 3% of assessed value.

Unemployment Insurance

New Employer Rate	2.70%
Taxable Wage Base	$7,000

Percentage rates may be lowered after 36 months of compliance, or raised due to non-compliance. $7,000 is the maximum taxable amount per employee.

Workers' Compensation (per $100 of payroll)

Average Rate for Manufacturing	$2.22
Average Rate for Office	$0.26
All Classes Average	$1.42

Source: Worker's Compensation Board of Indiana, Indiana Compensation Ratings Bureau, Department of Workforce Development-Unemployment Insurance Division/US Dept. of Labor

The 9-county Indianapolis Region includes Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan and Shelby counties

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